



BOTHERED BY “B” - NOTICES AND PESKY IRP PENALTIES?

2003 IRS Nationwide Tax Forum



BACKUP WITHHOLD ON FORMS

- 1099-B
- 1099-CAP*
- 1099-DIV
- 1099-INT
- 1099-MISC
- 1099-OID
- 1099-PATR
- W-2G*

*Currently not in B-Notice Program



MISSING, INCORRECT OR NOT CURRENTLY ISSUED TINs

- **Missing TIN - no TIN provided by payee or TIN has invalid characters such as alphas or hyphen(s)**
- **Incorrect TIN - Name/TIN combination does not match IRS or SSA files**
- **Not Currently Issued TIN - TIN cannot be found in IRS or SSA files**



MATCHING NAME/TINs

- **IRS matches first four characters of business name or individual's surname**
- **Name must be same as the one used on original application for EIN or SSN**
- **Sole proprietors must always use individual name not the business name**
- **Always notify IRS of any name/TIN changes**



TY2002 NOTICE CP2100

- **Mailing begins: September 2, 2003**
- **Notice dates: September 8 – November 3, 2003**
- **Paper or Tape Cartridge**



MISSING TIN

- **Check records - is TIN truly missing?**
- **Send Form W-9 to payee**
- ***DO NOT* send B-Notice to payee**
- **Begin backup withholding at **28%** on future payments**



INCORRECT NAME/TIN 1ST NOTICE

- **Check IRS information against your records**
- **If information matches, send Form W-9 and First B-Notice**
- **If no response, begin backup withholding after 30 business days**
- **If new information received, update your records but do not send corrections to IRS**



INCORRECT NAME/TIN 2ND NOTICE

If information matches, send Second B-Notice

- **EIN – Obtain Letter 147C from IRS verifying name and EIN**
- **SSN – Obtain Form SSA-7028 from SSA**
- **Do not send Form W-9**



NUMBERS TO NOTE

- **IRS/MCC IRP Customer Service**
 - Toll-Free** **1-866-455-7438**
 - **Outside U.S.** **304-263-8700**
 - **Email** **mccirp@irs.gov**
 - **Forms Distribution** **1-800-829-3676**



NOTICE 972CG

- **Includes Forms 1098, 1099, W-2G and W-2**
- **Calendar Year 2003 for Tax Year 2001 returns**
- **Penalty covers three categories:**
 - **Late filing**
 - **Failure to file electronically/magnetically**
 - **Missing and/or incorrect Name/TIN combinations**
- **Mailing in July with a Notice date of August 25, 2003**



RESPONDING TO NOTICE

- **Payers have 45 days to respond to Service Center**
- **Must provide detailed explanation showing reasonable cause**
- **No penalty if reasonable cause is established**
- **CP15/CP215 for balance due if no response or reasonable cause is not established**



NUMBERS TO NOTE

- **Inquiries related to 972CG Notices:**

Use telephone number provided on the Notice

- **Publications:**

1-800-829-3676 or www.irs.gov